

Modern Slavery Statement

Reporting year ending
30 June 2021



Growth, prosperity, community.

1 Introduction

This modern slavery statement is for Gladstone Ports Corporation Limited ACN 131 965 896 (**GPC**) and Gladstone Marine Pilot Services Pty Ltd ACN 165 996 967 (**GMPS**) (together, the **GPC Group**). This is a joint statement by these reporting entities under the *Modern Slavery Act 2018* (Cth) (the **Act**).

The GPC Group is committed to ensuring that modern slavery does not occur within its business or supply chain. The GPC Group strives to responsibly manage, develop and facilitate the prosperity of others through operating our port facilities and services in an economically, environmentally and socially sustainable manner. Prosperity for our community, our customers, and our shareholders is paramount to GPC.

This modern slavery statement is prepared in accordance with section 16 of the Act. It describes the risks of modern slavery in our business, the steps taken by the GPC Group during the financial year ended 30 June 2021 to identify, manage and mitigate our operations and supply chains risks and how we evaluate the effectiveness of our responses.

For the purposes of this statement, 'GPC Group', 'we', 'us' and 'our' collectively refers to GPC and GMPS (which includes all relevant reporting entities for this statement).

What does this report cover?

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2 The GPC Group's structure, operations and supply chains

2.1 Structure

GPC is an Australian public company constituted as a Government Owned Corporation (**GOC**) on 1 July 2004 under the *Government Owned Corporations Act 1993* (Qld). GPC's principal place of business is in Gladstone, Queensland.

GMPS is a wholly owned subsidiary of GPC. GMPS provides pilotage services at all of GPC's ports for ensuring berthing of ships safely and efficiently.

As a GOC, the State of Queensland is the owner of all shares in GPC, with all dividends paid by GPC ultimately benefiting Queenslanders. The two shareholding Ministers are:

- 1 Treasurer and Minister for Trade and Investment, the Hon. Cameron Dick MP; and
- 2 Minister for Transport and Main Roads, the Hon. Mark Bailey MP.

The GPC Board has ultimate responsibility for governance and oversight of modern slavery risks and approval of this statement.

More information on GPC is available at <https://www.gpcl.com.au/>.

2.2 Operations

GPC operates and manages three port precincts, all of which play a distinct and vital role in facilitating trade, jobs and prosperity for Queensland:

- 1 Port of Gladstone, which comprises 20 wharves. The Port of Gladstone is Queensland's largest multi-commodity port, handling over 30 different products. In the financial year ended 30 June 2021, the Port of Gladstone had a total throughput of 122.6 million tonnes, with 1,803 cargo vessels visiting the port;
- 2 Port of Rockhampton (formerly the Port Alma Shipping Terminal), which comprises three wharfs. In the financial year ended 30 June 2021, the Port of Rockhampton handled 107.7 kilo-tonnes of cargo, with 46 cargo vessels passing through the port; and
- 3 Port of Bundaberg, which comprises two wharves focusing on sugar, molasses and wood pallets. In the financial year ended 30 June 2021, the Port of Bundaberg had a total throughput of 354.6 kilo-tonnes.

GMPS provides pilotage services at all of GPC's ports to ensure berthing of ships safely and efficiently.

As at 30 June 2021, the GPC Group directly employed 759 (742 full-time employees) people, the majority of which are based near the ports in the regional hubs of Gladstone, Rockhampton and Bundaberg.

In Australia, the National Employment Standards (**NES**) covers employment conditions and set out the 10 minimum employment entitlements provided to all employees.

Modern awards or industrial agreements containing minimum pay and conditions for specific categories of workers cover over 99% of GPC employees. The remainder of our employees (members of the senior executive) have individual employment contracts, which provide additional conditions for an individual employee, but cannot reduce or remove the minimum entitlements prescribed under the NES.

We undertake annual reviews of the modern awards and employment contracts to ensure we meet our workers' entitlements. We also undertake regular internal and external audits of payroll to ensure we pay our workers correctly.

The GPC Group has 201 lease arrangements with tenants. All leases are located within the Ports of Gladstone, Bundaberg and Port Alma (Queensland). These are mainly industrial and commercial land and include some commercial facilities and offices as well as a few retail shop leases.

The GPC Group does not undertake financial investment or lending activities, except intra-GPC Group lending.

2.3 Supply Chains

The Supply Department of GPC is responsible for the procurement of all goods and services for the GPC Group including the GPC's three port precincts and the GMPS. The GPC Group works with approximately 886 suppliers across Australia and 22 additional suppliers from the UK and USA. GPC currently has 199 active contracts with our suppliers. Measured by value, the majority of our payments made are to suppliers in Australia.

From our direct (tier 1) suppliers, 35.72% of the value of goods, services and materials we purchased were:

- Contract labour resources for construction;
- Dozer parts;
- Diesel Fuel; and
- Construction materials.

In addition to goods, the GPC Group procures services including cleaning services, contract labour, printing and professional consulting, most of which sourced from domestic service providers. GPC's reliance on contractors is subject to project delivery and schedules and hence size and composition of contractors engaged fluctuated throughout the reporting period based on planned capital works program. As at 30 June 2021, the GPC Group had engaged approximately 712 which employed approximately 3,871 employees on site at different times throughout the year. All contractors were based in Australia.

Resources sourced from suppliers are assessed in each case as the most suited to provide the necessary services with current contract arrangements that include the requirements to comply with modern slavery and the Ethical Supplier Mandate (**ESM**) and Ethical Supplier Threshold (**EST**) criteria necessary for any supplier providing services and resources to a Queensland GOC. Non-compliance with the ESM/EST results in no engagement or use of the supplier. These suppliers are all required to comply with the GPC modern slavery questionnaire. The risk assessment of these suppliers for GPC exposure to modern slavery aligns with all suppliers to GPC and we monitor the remuneration and award/NES requirements in accordance with contract management processes.

As we recognise that risk management is an integral part of good management practice, GPC has established a risk management framework and periodically reviews the effectiveness of that framework. This has allowed us to recognise that there are risks of modern slavery within all of our supply chains, with services such as cleaning and manufacture of materials/clothing and goods and construction materials carrying a heightened risk. We explain these risks and our approach to addressing them below.

3 Modern Slavery Risks in Operations and Supply Chains

GPC Group considers the risk of modern slavery within its direct business operations and recognises that through its supply chain, other third-party relationships and operating activities (via customers and suppliers), that it may have exposure indirectly to the risk of modern slavery and human trafficking.

We acknowledge that we are early in our program to identify and investigate modern slavery risks in our operations and supply chain. As such, for the reporting period we focussed on our direct (tier 1) suppliers.

GPC assessed its direct workforce as a low risk to exposure to modern slavery. Further, we believe our people and culture policies and practices further mitigate this risk. Accordingly, we consider that our greatest risk of involvement in modern slavery is through our supplier relationships. Therefore, our processes relating to considering modern slavery risks have primarily focused on our supply chain.

GPC provided suppliers a modern slavery questionnaire for completion as part of their contract renewal or on-boarding process to assist the GPC Group with the risk assessment of its supply chain, to identify potential areas where the GPC Group may have exposure to modern slavery and human trafficking risks through its operations and supply chain. The following indicators were the primary source used to identify and assess potential supplier risk: sector and industry risk, product and services risk, geographic risk, entity risk and specific signs that may indicate a person is in a situation of modern slavery.

Within the GPC Group's supply chains, the following key areas were identified for potential modern slavery and human trafficking risks and have been the focus of our program to date:

- a. construction materials including steel and other consumables;
- b. office consumables such as tea, coffee, sugar, cocoa and biscuits for kitchens;
- c. corporate clothing; and
- d. the manufacture and supply of ICT hardware.

Ongoing due diligence review of the GPC Group's supply chain confirms these areas continue to have a higher risk of modern slavery and human trafficking and will be focus areas for upcoming years.

GPC was extremely proactive in our COVID-19 response. This included allowing staff to work from home, communication with all suppliers on a regular basis regarding COVID status, protocols for site access and GPC ongoing response to COVID issues as they arose. Securing supply of cleaning products and COVID PPE (face masks, sanitiser etc) and revision of operational activities involving interactions with staff, contractors and visitors were managed and limited where necessary. GPC secured additional vehicles to meet operational activities whilst complying the social distancing and contact limits expected under COVID protocols. Throughout the second half of 2021, and particularly the period from September to December 2021, GPC has strongly encouraged its employees to become vaccinated including (i) providing special pandemic leave to employees to undertake vaccination and (ii) facilitating on-site vaccinations (on a walk-in basis) at GPC premises. We are conscious of our role in balancing the economic and health threats of the situation — particularly the welfare of essential port workers, seafarers, our tenants and service providers as the State of Queensland relaxes its border restrictions in December 2021 and throughout 2022.

Our early action was critical in ensuring the continuity of our operations and supplier relationships. We are proud of the minimal business disruption caused by the pandemic and associated restrictions. Our ability to identify modern slavery risk areas was not limited due to COVID-19. Additionally, the economic and social consequences of COVID-19 have had a limited impact regarding the modern slavery risk exposure of GPC.

4 The GPC Group's actions

4.1 What are the GPC Group's actions?

The GPC Group have policies that seek to help mitigate the risks across our operations and supply chains, with respect to modern slavery and human rights.

To assess and address the risks of modern slavery occurring within the GPC Group operations and supply chains, the GPC Group has taken improvement actions, grouped into the following areas:

Governance

All employees and contractors of the GPC Group are subject to our Code of Conduct. Our Code of Conduct outlines the minimum standards of behaviour expected of GPC employees and representatives. Across the GPC Group, we are committed to creating and maintaining an environment that is professional, customer responsive, safe and free from any form of inappropriate or unlawful behaviour (which would include modern slavery, recognising it is criminal conduct). Our values to treat customers, colleagues and members of the community with dignity, fairness and respect provides the basis for our Code of Conduct.

GPC Group's Sustainability Policy outlines our commitment to addressing modern slavery risks, which states that that the GPC Group does not tolerate slavery, human trafficking, forced or child labour, or child exploitation. The GPC Board approves the Sustainability Policy and all employees and suppliers are required to adhere to it.

The Queensland Procurement Policy requires GPC to use best endeavours to do business with ethically, environmentally and socially responsible suppliers. Additionally, the Queensland Government Ethical Supplier Mandate, Ethical Supplier Threshold, Best Practice Principles and Supplier Code of Conduct are initiatives that support this requirement. Specifically, the Supplier Code of Conduct applies to any suppliers of GPC and provides that suppliers should make all reasonable efforts to ensure their supply chains are not engaged or complicit with, human rights abuses, such as forced or child labour.

To further assess modern slavery risks within the GPC Group operations and supply chain, we developed a modern slavery questionnaire. This helps employees in procurement areas map, identify and assess potential risks for modern slavery and human trafficking.

The questionnaire lists countries and sectors/activities that may have a higher risk of modern slavery. Examples of sectors identified with higher potential for modern slavery risk include, but are not limited to cleaning services, contract labour, construction, textiles, mining, printing and businesses with supply chains extending into high-risk countries for modern slavery.

Risk management

GPC has a risk management policy and periodically reviews the effectiveness of that policy. The principles behind this policy are AS/NZ 31000:2009 Risk Management — Principles and Guidelines, and Principle 7 of the Queensland Government's Corporate Governance Guidelines for Government Owned Corporations — February 2009. The GPC Board has ultimate responsibility for risk management and for determining the appropriate level of risk that the GPC Board is willing to accept in the conduct of our business activities. The CEO provides the interface between the business units and the GPC Board.

As part of the policy, supervisors are required to ensure that as they identify new risks, remove or escalate current risks, they update the business risk database and communicate these risks to their respective business units.

GPC Group continuously enhances its risk management processes to identify, assess, mitigate and monitor potential risk areas where the GPC Group may have exposure to human rights concerns, including modern slavery and human trafficking.

The way that the GPC Group responds to modern slavery risks will change depending on the severity of the risks (to people) and its relationship to the risk.

Supplier on-boarding processes and supply chain management

Screening new suppliers for modern slavery risks

The GPC Group screens new suppliers for modern slavery risks. Within the selection process, our procurement and supplier management due diligence includes a risk assessment for the exposure to modern slavery risks. As part of the process, suppliers are required to complete vendor setup forms that include the requirements for considering the Queensland Government EST, Best Practice Principles and Supplier Code of Conduct.

Supplier contract terms

GPC Group's standard supply contract templates contain modern slavery clauses that require service providers to commit to not using forced labour, slavery or servitude. Suppliers must also commit to complying with all applicable laws including anti-modern slavery laws.

Standard supply contract clauses also include provisions to allow the GPC Group to request evidence of implementation of suppliers' risk management policies and processes relating to modern slavery.

Identification and investigation of modern slavery instances

To improve the GPC Group's understanding and management of modern slavery and human trafficking-related risk, we have undertaken work to identify, understand and recognise the range of situations or sectors that are most susceptible to human impact crimes.

These human impact crimes include human trafficking and modern slavery practices such as servitude, forced labour, forced or servile marriage, debt bondage and the exploitation of children. The ways in which the exploitation of humans differs greatly. Each crime typology has unique strategies for recruiting and controlling victims and concealing the crime. Similarly, there are a number of ways in which to identify possible victims and offenders involved in human impact crimes.

To help our employees map and identify these crimes through their analysis of transactions and activities, the GPC Group utilised various guides and materials that describe indicators of modern slavery, human trafficking and case studies.

Remediation - grievances/complaints

The GPC Group have grievance, complaints and feedback processes, that provide a channel for employees, directors and external stakeholders to raise concerns about suspected instances of modern slavery.

The GPC Group has a Whistle-blower Protection Policy and associated GPC Group Whistle-blower Program that allows employees, directors and contractors to the GPC Group to raise concerns in a confidential manner. This channel is available for reporting modern slavery concerns. Receipt of grievances can occur via social media, direct correspondence or bodies such as the Human Rights Commission.

GPC will investigate and address grievances or concerns in accordance with the relevant policy. This may include engagement with suppliers, customers and other stakeholders including taking steps to understand the issue(s) and take appropriate action deemed necessary based on the complaint raised. This may involve referring the matter to the appropriate authorities (in the case of suspicions or allegations of modern slavery), or engaging with the entity about the areas of concerns. It also includes the need to consider remediation processes and remedy if modern slavery is occurring.

Training and capacity building

The GPC Group intends to complete detailed training during the next reporting period in relation to modern slavery risks and provide online accessibility to its key modern slavery training to employees.

4.2 How does the GPC Group assess the effectiveness of its actions?

Preventing and addressing GPC's involvement in modern slavery is central to our sustainability approach including the commitment to running a safe, responsible and profitable business.

We set clear expectations that our employees and suppliers (including contractors and agents) should be alert to possible involvement in modern slavery and should work to prevent and address it. We seek and receive feedback from both internal and external sources to assist in refining our program.

Some examples of the actions taken by the GPC Group in FY20 to assess the effectiveness of our actions include:

- knowledge sharing for employees;
- taking action, including mitigation measures where we see a risk of involvement;
- continuing to work with government and other organisations to contribute to more consistent, robust policy and regulatory initiatives around the world;
- listening and responding to concerns raised by customers and other stakeholders on a wide range of issues. The GPC Group is committed to doing business in a responsible manner – this includes how the GPC Group manages its operations and supply chain. Concerns can be raised by completing the contact us (feedback, complaints and enquires) form available on GPC internet;
- working with suppliers to check how they are progressing any actions they have put in place to address modern slavery risks; and
- investigating, and considering any trends in, modern slavery related instances reported through grievance mechanisms.

5 Consultations

GPC's Supply Department is responsible for the procurement activities of GPC and GMPS as part of the GPC Group. In preparation of this statement, GPC provided all GPC Group officers with a memorandum advising of the requirements under the Act and the potential for exposure to modern slavery risks through the supply chain and operations.

Prior to being put to the GPC Board for review and approval, this modern slavery statement has been reviewed by relevant subject matter experts within the business and the senior management of the GPC Group.

6 Looking forward

GPC Group will continue to monitor and improve the GPC Group's and its suppliers' compliance and awareness with the Act.

The Office of the Chief Advisor – Procurement, Department of Energy and Public Works (**DEPW**) is considering how a whole of government procurement response can specifically work to eliminate modern slavery, and keep pace with international and local developments. As a GOC, GPC will work with the DEPW whilst they begin co-designing an appropriate response that meets the needs of government agencies.

In future years, the GPC Group intends to develop a framework to provide the following expectations for a compliant corporate citizen including:

- training of employees that is designed to raise awareness and aid identification of modern slavery; and
- consideration of key performance indicators that will measure ethical and sustainable practices.

This statement will be reviewed and updated annually.

Statement approved by the Board of directors of GPC on 17 December 2021, on behalf of itself and GMPS.



Dr Anthony Lynham

Chairperson – GPC Board of Directors

17 **December 2021**